



U.S. Department of Justice

*United States Attorney
District of Maryland*

*Rod J. Rosenstein
United States Attorney*

*Vickie E. LeDuc
Public Information Officer*

*36 South Charles Street
4th Floor
Baltimore, Maryland 21201*

*410-209-4800
TTY/TDD: 410-962-4462
410-209-4885
FAX 410-962-3091
Vickie.LeDuc@usdoj.gov*

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**Contact AUSA VICKIE E. LEDUC or
MARCIA MURPHY at (410) 209-4885**

**TANGIBLE SOFTWARE, INC. AGREES TO RESOLVE
FALSE CLAIMS ACT ALLEGATIONS**

Baltimore, Maryland - Department of Defense contractor Tangible Software, Inc., owned and operated by Energy Management and Security Solutions, LLC since 2011, has agreed to pay the United States between \$500,000 and \$1.05 million to resolve allegations under the False Claims Act that the company submitted false claims to the Department of Defense under prior ownership from 2008 to 2011.

The settlement was announced by United States Attorney for the District of Maryland Rod J. Rosenstein; Special Agent in Charge Robert Craig of the Defense Criminal Investigative Service (DCIS) - Mid-Atlantic Field Office; Acting Inspector General Jim Gribble of the Defense Information Systems Agency (DISA); and General Services Administration (GSA) Deputy Inspector General Robert C. Erickson.

This settlement resolves allegations that Tangible Software submitted claims for reimbursement of costs associated with contracts with the GSA and Defense Information Systems Agency involving information technology support and services, knowing that the requested reimbursements of costs exceeded what Tangible Software actually paid for the services. There has been no judicial finding of liability and Tangible Software denies liability.

"Defense contractors are required to bill for costs actually incurred, and to be truthful in the claims they submit to federal agencies," said United States Attorney for the District of Maryland Rod J. Rosenstein.

"This Tangible Software case is a prime example of how DISA IG works to detect and prevent fraud schemes within the Agency and recuperate funds for the U.S. government," said DISA Acting Inspector General, Jim Gribble.

"GSA contracts need to be executed in the best interest of American taxpayers," said GSA Deputy Inspector General Robert C. Erickson.

As part of the settlement, Tangible Software has agreed to make additional payments above a minimum settlement payment of \$500,000, depending on the financial performance of the company over the next five years and the outcome of a shareholder lawsuit Tangible Software has initiated against its prior management that oversaw the period of misconduct. The investigation was aided by the new ownership disclosing alleged misconduct by the prior ownership.

The civil settlement resolves a lawsuit filed under the whistleblower provision of the False Claims Act, which permits private parties to file suit on behalf of the United States for false claims and obtain a portion of the government's recovery. The civil lawsuit was filed in the District of Maryland and is captioned United States ex rel. Michael Bradle v. Tangible Software, Inc. As part of today's resolution, Mr. Bradle will receive a minimum of \$80,000 from the settlement.

The settlement was a result of an investigation by the U.S. Attorney's Office for the District of Maryland, DCIS, Defense Information Systems Agency - Inspector General's Office, and GSA - Inspector General's Office. Mr. Rosenstein commended the Defense Contract Audit Agency for their assistance in the investigation. The investigation was handled by Assistant U.S. Attorney Thomas Barnard.